

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA**§ 45.1-361.26****VIRGINIA:****BEFORE THE GAS AND OIL BOARD**

APPLICANTS: EQT Production Company on behalf of Dr. Halbert E. and Peggy Ashworth; Graham K. and Betty Tiller, Don W. and Cynthia L. Ashworth and Range Resources-Pine Mountain, Inc. **DOCKET NO.** 07-0515-1933-01

RELIEF SOUGHT:

Issuance: A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling Unit VC-537102, Portions of Tracts 2 and 3 (Referenced herein as "the Subject Drilling Unit")

Location: Dickenson County Virginia

Action Details:

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit VC-537102;
- (2) To provide each applicant an accounting of unit productions and payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling Unit's Escrow Subaccount for VGOB Tract(s) identified in Table 1.

Tract Map Identifications are found on Exhibit B attached hereto

REPORT OF THE BOARD**FINDINGS AND ORDER**

1. **Hearing Date and Place:** This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on October 25, 2011, at the Russell County Government Conference Center, 139 Highland Drive Lebanon, VA
2. **Appearances:** James Kaiser of Wilhoit & Kaiser Law Offices appeared for the Applicant; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
3. **Jurisdiction and Notice:** Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract subaccounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract subaccounts. The Board finds that: (1) while it does not have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it does not have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, the Board does have jurisdiction and authority to disburse funds from the Escrow Account provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting claimants or an agreement

among all claimants owning conflicting estates in the tracts in question or any undivided interest therein or a decision from a court appointed Arbitrator.

4. **Prior Proceedings:**

- 4.1 (a) On March 20, 2008 the Board executed its order pooling interests in the Subject Drilling Unit which was recorded in Dickenson County on April 25, 2008 at Deed Book 451.
- (b) On May 14, 2009 the Board executed its Supplemental Order in the Subject Drilling Unit which was recorded in Dickenson June 11, 2009 at Deed Book 466.
- 4.2 To the extent claims to the gas were in conflict, pursuant to Va. Code S 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account"). According to the Pooling Orders and testimony the parties identified in Table 1 below have entered into royalty split agreements.
- 4.3 The Unit Operator gave notice to the applicants that the Board would consider a disbursement authorization at its hearing on October 25, 2011 and consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to Tracts 2 and 3 identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because parties other than those seeking disbursement under this order are subject to continued payments in the escrow.
- 4.4 The Unit Operator filed the attached accounting (Exhibit A-1) for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

5. **Findings:**

5.1. Va. Code 45.1-361.22.5 provides:

The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.

5.2 Applicant has certified and represented to the Board that:

(1) Net interests attributable and to be disbursed to Applicants are shown in Table 1.

VGOB Approved Disbursement
VC-637102
VGOB-07-0515-1933-01

Table 1
A portion of Tract 2 and 3

			Fractional Ownership in Tract	Net Acreage Ownership in Tract	Royalty Split Agreement	Fractional Acres Disbursed	Percent of Escrowed Funds Disbursed
Disbursement Table							
Total acreage in escrow before disbursement						0.3512	
2 Tract 2 acreage			0.000000				
1	2	Graham Kenneth Tiller & Betty Tiller 4601 Ridgeway Way, Chester, VA 23811		0.00033	100.0%	0.00033	0.09317%
2	2	Don Ashworth & Cathy Ashworth 812 Vandyke Road, Morgantown, WV 26501		0.00017	100.0%	0.00017	0.04800%
3	2	Harbert Ashworth & Peggy Ashworth 21 Rose Hill Drive, ID #100, SC 29910		0.00017	100.0%	0.00017	0.04800%
3 Tract 3 acreage			0.152400				
4	3	Graham Kenneth Tiller & Betty Tiller 4601 Ridgeway Way, Chester, VA 23811		0.0703	100.0%	0.0703	19.9646%
5	3	Don Ashworth & Cathy Ashworth 812 Vandyke Road, Morgantown, WV 26501		0.0353	100.0%	0.0353	9.9523%
6	3	Harbert Ashworth & Peggy Ashworth 21 Rose Hill Drive, ID #100, SC 29910		0.0353	100.0%	0.0353	9.9523%

6. Relief Granted:

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to within 10 days of receipt of this executed order disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, and, because there are other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to continue the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

7. Conclusion:

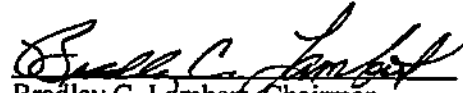
Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and **IT IS SO ORDERED.**

8. Appeals:

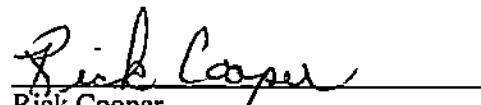
Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

9. **Effective Date:** This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 19 day of Dec., 2011, by a majority of the Virginia Gas and Oil Board.

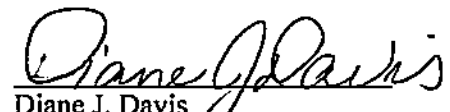

 Bradley C. Lambert, Chairman
 Virginia Gas and Oil Board

DONE AND PERFORMED this 19th day of Dec., 2011, by an Order of this Board.

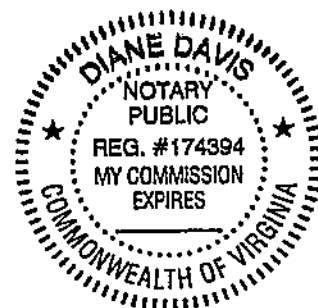

 Rick Cooper
 Principal Executive to the Staff
 Virginia Gas and Oil Board

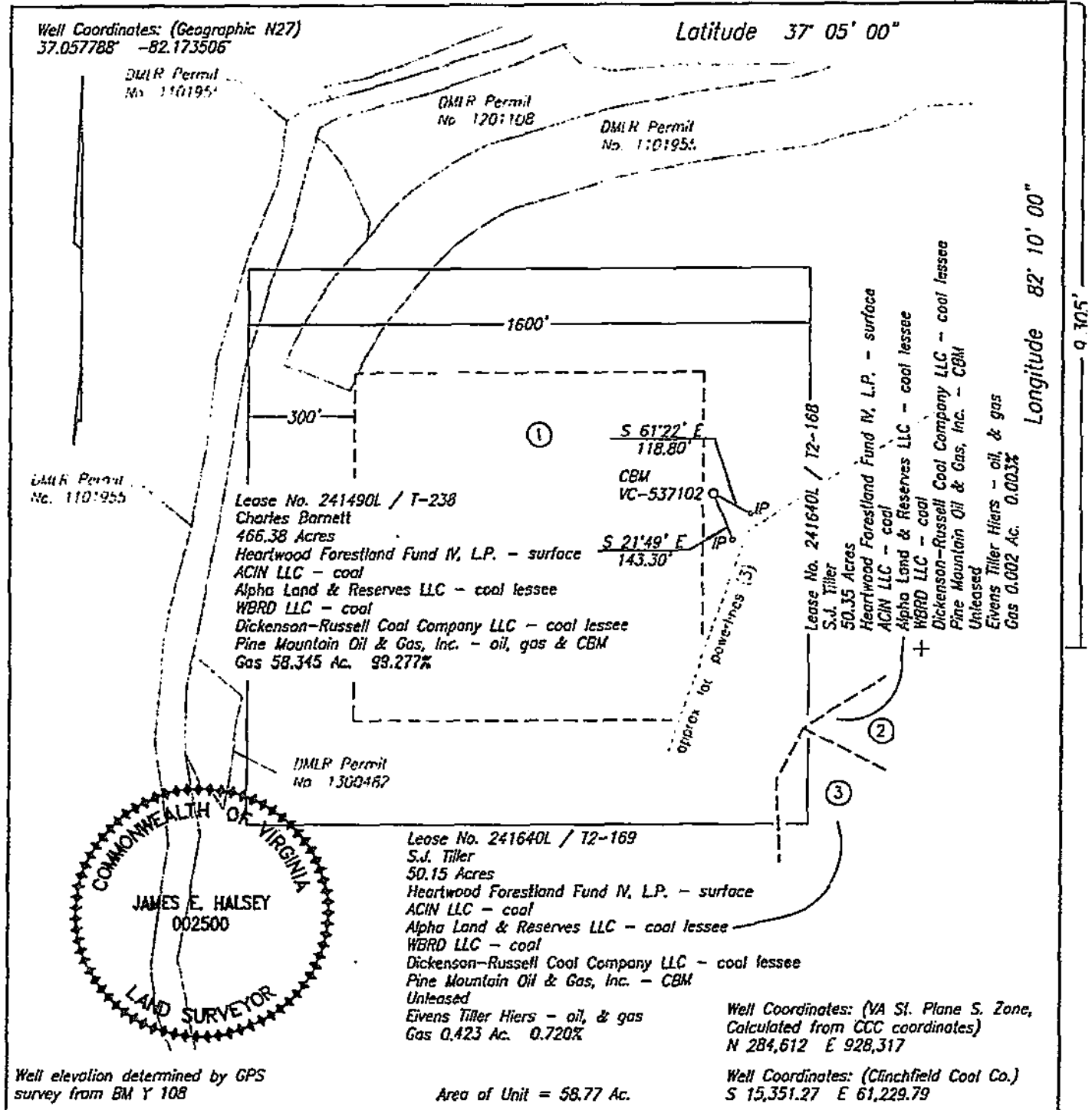
COMMONWEALTH OF VIRGINIA)
 COUNTY OF RUSSELL)

Acknowledged on this 19th day of Dec., 2011, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


 Diane J. Davis
 Notary Public #174394

My commission expires: 09/_30_/2013__



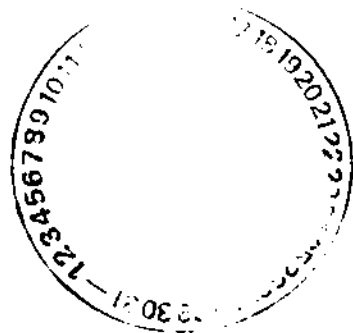


WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-537102
TRACT NO. T-238 ELEVATION 2,243.85' QUADRANGLE Duty
COUNTY Dickenson DISTRICT Frytown SCALE 1" = 400' DATE 1-02-2007
This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey
Licensed Professional Engineer or Licensed Land Surveyor



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQT Production Company on behalf of Dr. Halbert E and Peggy Ashworth; Graham K. and Betty Tiller, Don W. and Cynthia L. Ashworth and Range Resources-Pine Mountain Inc.

DOCKET NUMBER: VGOB 07/05/15-1933-01

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of Dr. Halbert E and Peggy Ashworth; Graham K. and Betty Tiller, Don W. and Cynthia L. Ashworth and Range Resources-Pine Mountain Inc.

LEGAL DESCRIPTIONS: Drilling Unit Number 537102 created by Board Order Dated March 20, 2008, VGOB 07/05/15-1933 in Dickenson County, Virginia.

HEARING DATE: October 18, 2011

MISCELLANEOUS PETITION

1. Party: Applicant herein is, Halbert Ashworth and Peggy Ashworth (hereinafter "Plaintiff"), whose address is, 23 Rose Hill Drive, Bluffton, SC 29910; Don W. Ashworth and Cynthia L. Ashworth (hereinafter "Plaintiff"), whose address is 23 Rose Hill Drive, Bluffton, SC 29910; Graham K. Tiller and Betty Tiller (hereinafter "Plaintiff"), whose address is, 4601 Riderwood Way, Chester, VA 23831-4327 and Range Resources-Pine Mountain Inc. , (hereinafter "Plaintiffs), whose address is P.O. Box 2136, Abingdon, VA 24212.
2. Facts:
 - a. Equitable was designated as the Operator and Applicants interests were Pooled in the 537102 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on March 20, 2008, pursuant to Docket No. VGOB 07/05/15-1933 and recorded in the Circuit Court Clerk's Office Dickenson County, Virginia on April 25, 2008, Book 451 Page 696 (hereinafter "Order").
 - b. The Order and Supplemental Order required the Escrow Agent named and appointed therein to establish an interest-bearing escrow account for funds pertaining to the above-referenced Unit and subject to escrow pursuant to the terms of the Order.

- c. The Order and Supplemental Order further required the Operator to deposit bonus and royalty payments with the Escrow agent which could not be made because the person(s) entitled hereto could not be made certain due to conflicting claims of ownership.
- d. Range Resources-Pine Mountain, Inc. was a conflicting claimant with the above-listed Plaintiff with regard to Tracts 2 and 3 as created by Board Order as VGOB 07/05/15-1933 are the applicable Tracts.
- e. To resolve this conflict, a Letter dated July 15, 2011, signed Jerry Grantham, Vice President of Range Resources-Pine Mountain, Inc. is attached hereto and incorporated herein as Exhibit "A".
- f. The amounts deposited with the Escrow Agent regarding the Unit need to be determined and distributed accordingly.
- g. Any escrow amount, not yet deposited into the escrow account, held by Operator should also be determined, and distributed to Applicant/Plaintiff herein, accordingly.
- h. Applicant/Plaintiff herein does hereby request that the Board enter amended supplemental order for the Unit directing the Escrow Agent and the Operator to disburse to the aforesaid Plaintiff the funds attributable to the previous conflicting claim with Pine Mountain, held in escrow for the VGOB number as listed above.
 - 1. The Applicant certifies that the matters set forth in the application, to the best of her knowledge, information, and belief, are true and correct and that the form and content of the Application and conform to the requirements of relevant Board regulations and orders.
 - 2. Legal Authority: Va Code Ann. §45.1-361.1 et seq., 4 VAC 25-160, and such other regulations and Board orders promulgated pursuant to law.
 - 3. Relief Sought: Applicant requests that the Board issue amended supplement order amending all prior orders affecting the Unit which amended supplement order will provide as follows:
 - a. Determining the amount of funds attributable to the Applicants/Plaintiffs herein.
 - b. Directing the Escrow Agent to determine the amount of funds attributable to Applicant/Plaintiff herein, provide an accounting hereof, and disburse the funds on deposit with the Escrow Agent, including any applicable interest, pertaining to the interest in the Unit shown above for distribution.
 - c. Directing the Operator to determine the amount of funds attributable to the Applicant/Plaintiff herein, provide an

accounting thereof, and disburse the units in its hands, if any, subject to escrow but not then on deposit with the Escrow Agent, including any applicable interest, at the time of the Supplemental Order requested therein is executed, attributable to the Applicant/Plaintiff herein for distribution.

- d. Directing the Operator to disburse the funds, including any applicable interest, and provide an accounting thereof, which it may receive after the date of the execution of the amended supplemental order requested in the Application, if any, attributable to the Applicant/Plaintiff herein, and to discontinue the payment of such funds into Escrow.
- e. Granting such other relief as is merited by the evidence and is just and equitable whether or not such relief has been specifically requested herein.

Dated this 16th day of September, 2011.

By: 

Petitioner

Address:

Wilhoit & Kaiser
220 Broad St, Ste. 301
Kingsport, TN 37660

CERTIFICATE

The foregoing application to the best of my knowledge, information and belief is true and correct. Notice was given pursuant to Va. Code Ann. §45.1-361.19.



Petitioner

BK 49346 258

		YGOB 07/05/16-1933 VC-637102	Acreage Interest Disbursed	Split Agreement	Escrowed Acres Total	% of Escrowed Funds	Disbursement \$
Item	Tract	Disbursement Table					
		Totals			0.35419		
1	2	Graham Kennedy Tiller & Betty Tiller	0.00033	100%	0.00033	0.093170%	\$0.54
2	2	Don Ashworth and Cindy Ashworth	0.00017	100%	0.00017	0.047997%	\$0.28
3	2	Halbert Ashworth and Peggy Ashworth	0.00017	100%	0.00017	0.047997%	\$0.28
4	3	Graham Kennedy Tiller & Betty Tiller	0.0705	100%	0.0705	19.604371%	\$115.37
4	3	Don Ashworth and Cindy Ashworth	0.03525	100%	0.03525	9.952285%	\$57.89
4	3	Halbert Ashworth and Peggy Ashworth	0.03525	100%	0.03525	9.952285%	\$57.89

Beginning Acreage in Escrow	0.35419
Acreage Disbursed	-0.14167
Acreage remaining in Escrow	0.21252

EXHIBIT "B"
VC-537102
VGOB 07/05/15-1933
REVISED 05/11/07

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Pine Mountain Oil & Gas, Inc. TAX ID 204 ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241490/T-238	99.277000%	58.3450	0.12409625	RI
	Equitable Production				0.86867375	WI
tract 1 totals			99.277000%	58.3450	0.99277000	
2	<u>Elvens Tiller Heirs:</u> TAX I.D. # 3464					
	Charlton Tiller 250 Melrose St. Abingdon, VA 24210	Leased 906911	0.000500%	0.00033	0.00000063	RI
	Chad Barton & Patsy Barton, H/W P.O. Box T Haysi, VA 24256	Unleased	0.000100%	0.00007	0.00000013	RI
	Peggy Barton P.O. Box 175 Bee, VA 24217	Unleased	0.000050%	0.00003	0.00000006	RI
	Steve R. Barton P.O. Box 234 Haysi, VA 24256	Unleased	0.000010%	0.00001	0.00000001	RI
	Chandra Cheryl Bostic & Kenny Bostic, W/H HC 4 Box 278 Bee, VA 24217	Unleased	0.000010%	0.00001	0.00000001	RI
	Ricky Lane Barton & Pam Agnus Barton, H/W Box 242 Mack's Hollow Haysi, VA 24256	Unleased	0.000010%	0.00001	0.00000001	RI
	Lance M. Barton P.O. Box 175 Bee, VA 24217	Unleased	0.000010%	0.00001	0.00000001	RI
	Terry Lorenzen Barton & Barbara Gayle Barton, H/W P.O. Box 499 Haysi, VA 24256	Unleased	0.000010%	0.00001	0.00000001	RI

Louise B. Compton & James I. Compton, W/H 118 Graham Robinson Rd. Max Meadows, VA 24360	Unleased	0.000100%	0.00007	0.00000013	RI
Pamela Barton 7544 Finney Rd. Honaker, VA 24260	Leased 906911	0.000100%	0.00007	0.00000013	RI
Mickey W. Barton & Becky Barton, H/W HC 4 Box 273 Bee, VA 24217-9603	Unleased	0.000050%	0.00003	0.00000006	RI
Wrenda Joetta Barton P.O. Box 444 Davenport, VA 24239	Unleased	0.000050%	0.00003	0.00000006	RI
Graham Kennedy Tiller & Betty Tiller, H/W 4601 Riderwood Way Chester, VA 23831	Leased 906911	0.000500%	0.00033	0.00000063	RI
Don Ashworth & Cindy Ashworth, H/W 852 Vandalia Rd. Morgantown, WV 26501	Leased 906717	0.000250%	0.00017	0.00000031	RI
Halbert Ashworth & Peggy Ashworth, H/W 23 Rose Hill Drive Bluffton, SC 29910	Leased 906911	0.000250%	0.00017	0.00000031	RI
Lena Mullins 800 Regency Drive Johnson City, TN 37604	Leased 906911	0.000063%	0.00004	0.00000008	RI
Catherine Mullins 4505 Woodbury Drive Raleigh, NC 27612	Leased 906911	0.000063%	0.00004	0.00000008	RI
Juanita Mullins Box 760 Erwin, TN 37650-2119	Unleased	0.000063%	0.00004	0.00000008	RI
Kelver Mullins & Mattie Mullins, H/W 904 Millercrest Dr. Johnson City, TN 37604-4315	Leased 906911	0.000063%	0.00004	0.00000008	RI
Bert Clifford Mullins & Marjorie Mullins, H/W 26182 Beech Hideaway Abingdon, VA 24211	Leased 906911	0.000063%	0.00004	0.00000008	RI
Geraldine Counts & Lee Counts, W/H 204 Heather Drive Jonesborough, TN 37659	Leased 906911	0.000063%	0.00004	0.00000008	RI
Anna Lee Stacker & Joe Stacker, W/H	Leased 906911	0.000063%	0.00004	0.00000008	RI

1109 Haverhill Drive
Brentwood, TN 37027

Gall Aveline Bristow & Bill Bristow, W/H 7324 Lawford Rd. Knoxville, TN 37919-8175	Leased 906911	0.000063%	0.00004	0.00000008	RI
Travis B. Tiller Box 59 Coeburn, VA 24230	Leased 906911	0.000100%	0.00007	0.00000013	RI
Karen T. Taylor & Don E. Taylor, W/H 653 Redwood St. Mount Carmel, TN 37645	Leased 906911	0.000100%	0.00007	0.00000013	RI
Neil C. Tiller & Martha R. Tiller, H/W 177 Meadow Lark Lane Lebanon, VA 24266	Leased 906911	0.000100%	0.00007	0.00000013	RI
Daisy Buchanan Tiller 1705 Blountville Blvd. Apt. E-10 Blountville, TN 37617	Unleased	0.000033%	0.00002	0.00000004	RI
Donna Tiller Sizemore & Roger Sizemore, W/H 24107 Watauga Rd. Ablingdon, VA 24211	Unleased	0.000033%	0.00002	0.00000004	RI
Michael Tiller 10033 Buffalo Grove Road Fort Worth, TX 76108	Leased 906911	0.000033%	0.00002	0.00000004	RI
Virgil Jack Presley and Kathleen Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.000025%	0.00002	0.00000003	RI
Donnie Lee Presley HC 4 Box 93 Davenport, VA 24239	Unleased	0.000025%	0.00002	0.00000003	RI
Julia Jacquelyn Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.000025%	0.00002	0.00000003	RI
Virgie Dean Presley 1387 Hartwig Dr. Troy, MI 48085	Leased 906911	0.000025%	0.00002	0.00000003	RI

Equitable Production

Fract 2 totals		0.003000%	0.00200	0.00003000	WI
----------------	--	-----------	---------	------------	----

3 Eivens Tiller Heirs:
TAX ID 3464

Charlton Tiller 250 Melrose St. Abingdon, VA 24210	Leased 906911	0.120000%	0.07050	0.00015000	RI
Chad Barton & Patsy Barton, H/W P.O. Box T Haysi, VA 24256	Unleased	0.024000%	0.01410	0.00003000	RI
Peggy Barton P.O. Box 175 Bee, VA 24217	Unleased	0.012000%	0.00705	0.00001500	RI
Steve R. Barton P.O. Box 234 Haysi, VA 24256	Unleased	0.002400%	0.00141	0.00000300	RI
Chandra Cheryl Bostic & Kenny Bostic, W/H HC 4 Box 278 Bee, VA 24217	Unleased	0.002400%	0.00141	0.00000300	RI
Ricky Lane Barton & Pam Agnus Barton, H/W Box 242 Mack's Hollow Haysi, VA 24256	Unleased	0.002400%	0.00141	0.00000300	RI
Lance M. Barton P.O. Box 175 Bee, VA 24217	Unleased	0.002400%	0.00141	0.00000300	RI
Terry Lorenzen Barton & Barbara Gayle Barton, H/W P.O. Box 499 Haysi, VA 24256	Unleased	0.002400%	0.00141	0.00000300	RI
Louise B. Compton & James I. Compton, W/H 118 Graham Robinson Rd. Max Meadows, VA 24360	Unleased	0.024000%	0.01410	0.00003000	RI
Pamela Barton 7544 Finney Rd. Honaker, VA 24260	Leased 906911	0.024000%	0.01410	0.00003000	RI
Mickey W. Barton & Becky Barton, H/W HC 4 Box 273 Bee, VA 24217-9603	Unleased	0.012000%	0.00705	0.00001500	RI
Wrenda Joetta Barton P.O. Box 444 Davenport, VA 24239	Unleased	0.012000%	0.00705	0.00001500	RI
Graham Kennedy Tiller & Betty Tiller, H/W 4601 Riderwood Way Chester, VA 23831	Leased 906911	0.120000%	0.07050	0.00015000	RI

BK 493PG 263

Don Ashworth &
Cindy Ashworth, H/W
852 Vandalia Rd.
Morgantown, WV 26501

Leased
906717

0.060000%

0.03525

0.00007500

RI

Halbert Ashworth & Peggy Ashworth, H/W 23 Rose Hill Drive Bluffton, SC 29910	Leased 906911	0.060000%	0.03525	0.00007500	RI
Lena Mullins 800 Regency Drive Johnson City, TN 37604	Leased 906911	0.015000%	0.00881	0.00001875	RI
Catherine Mullins 4505 Woodbury Drive Raleigh, NC 27612	Leased 906911	0.015000%	0.00881	0.00001875	RI
Juanita Mullins Box 760 Erwin, TN 37650-2119	Unleased	0.015000%	0.00881	0.00001875	RI
Kelver Mullins & Mattie Mullins, H/W 904 Millercrest Dr. Johnson City, TN 37604-4315	Leased 906911	0.015000%	0.00881	0.00001875	RI
Bert Clifford Mullins & Marjorie Mullins, H/W 26182 Beech Hideaway Abingdon, VA 24211	Leased 906911	0.015000%	0.00881	0.00001875	RI
Geraldine Counts & Lee Counts, W/H 204 Heather Drive Jonesborough, TN 37659	Leased 906911	0.015000%	0.00881	0.00001875	RI
Anna Lee Stacker & Joe Stacker, W/H 1109 Haverhill Drive Brentwood, TN 37027	Leased 906911	0.015000%	0.00881	0.00001875	RI
Gail Aveline Bristow & Bill Bristow, W/H 7324 Lawford Rd. Knoxville, TN 37919-8175	Leased 906911	0.015000%	0.00881	0.00001875	RI
Travis B. Tiller Box 59 Coeburn, VA 24230	Leased 906911	0.024000%	0.01410	0.00003000	RI
Karen T. Taylor & Don E. Taylor, W/H 653 Redwood St. Mount Carmel, TN 37645	Leased 906911	0.024000%	0.01410	0.00003000	RI
Neil C. Tiller & Martha R. Tiller, H/W 177 Meadow Lark Lane Lebanon, VA 24266	Leased 906911	0.024000%	0.01410	0.00003000	RI
Daisy Buchanan Tiller 1705 Blountville Blvd. Apt. E-10 Blountville, TN 37617	Unleased	0.008000%	0.00470	0.00001000	RI
Donna Tiller Sizemore &	Unleased	0.008000%	0.00470	0.00001000	RI

Roger Sizemore, W/H
24107 Watauga Rd.
Abingdon, VA 24211

Michael Tiller 10033 Buffalo Grove Road Fort Worth, TX 76108	Leased 906911	0.008000%	0.00470	0.00001000	RI
--	------------------	-----------	---------	------------	----

Virgil Jack Presley and Kathleen Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.006000%	0.00353	0.00000750	RI
---	------------------	-----------	---------	------------	----

Donnie Lee Presley HC 4 Box 93 Davenport, VA 24239	Unleased	0.006000%	0.00353	0.00000750	RI
--	----------	-----------	---------	------------	----

Julia Jacquelyn Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.006000%	0.00353	0.00000750	RI
---	------------------	-----------	---------	------------	----

Virgie Dean Presley 1387 Hartwig Dr. Troy, MI 48085	Leased 906911	0.006000%	0.00353	0.00000750	RI
---	------------------	-----------	---------	------------	----

Equitable Production				0.00630000	WI
Fract 3 totals		0.720000%	0.4230	0.00720000	

TOTAL GAS ESTATE	100.000000%	58.7700	1.0000		
------------------	-------------	---------	--------	--	--

Percentage of Unit Leased	99.806196%
Percentage of Unit Unleased	0.193804%

Acreage in Unit Leased	58.6561
Acreage in Unit Unleased	0.1139

Coal Estate Only

1 Pine Mountain Oil & Gas, Inc. TAX ID 204 ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241490/T-238	76.72	99.277000%	58.3450	0.12409625	RI
---	------------------------	-------	------------	---------	------------	----

Equitable Production				0.86867375	WI
Fract 1 totals		99.277000%	58.3450	0.99277000	

2 Pine Mountain Oil & Gas, Inc. TAX ID 210 ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 241640/T2-1168		0.003000%	0.0020	0.00000375	RI
---	--------------------------	--	-----------	--------	------------	----

Equitable Production				0.00002625	WI
Fract 2 totals		0.003000%	0.0020	0.00003000	

3	Pine Mountain Oil & Gas, Inc.	Leased	0.720000%	0.4230	0.00090000	RI
TAX ID 210 Attn: Jerry Grantham 241640/T2-169						
P.O. Box 2136						
Abingdon, VA 24212						

Equitable Production				0.00630000	WI
tract 3 totals		0.720000%	0.4230	0.00720000	

TOTAL COAL ESTATE	100.000000%	58.7700	1.0000
-------------------	-------------	---------	--------

Percentage of Unit Leased	100.000000%
Percentage of Unit Unleased	0.000000%

Acreage in Unit Leased	58.7700
Acreage in Unit Unleased	0.0000

EXHIBIT "E"
VC-537102
REVISED 05/11/07

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>GAS ESTATE</u>				
2	<u>Elvens Tiller Helms</u> TAX I.D. # 3464			
	Chad Barton & Patsy Barton, H/W P.O. Box T Haysi, VA 24256	Unleased	0.000100%	0.00007
	Peggy Barton P.O. Box 175 Bee, VA 24217	Unleased	0.000050%	0.00003
	Steve R. Barton P.O. Box 234 Haysi, VA 24256	Unleased	0.000010%	0.00001
	Chandra Cheryl Bostic & Kenny Bostic, W/H HC 4 Box 278 Bee, VA 24217	Unleased	0.000010%	0.00001
	Ricky Lane Barton & Pam Agnus Barton, H/W Box 242 Mack's Hollow Haysi, VA 24256	Unleased	0.000010%	0.00001
	Lance M. Barton P.O. Box 175 Bee, VA 24217	Unleased	0.000010%	0.00001
	Terry Lorenzen Barton & Barbara Gayle Barton, H/W P.O. Box 499 Haysi, VA 24256	Unleased	0.000010%	0.00001
	Louise B. Compton & James I. Compton, W/H 118 Graham Robinson Rd. Max Meadows, VA 24360	Unleased	0.000100%	0.00007
	Pamela Barton 7544 Finney Rd. Honaker, VA 24260	Leased 906911	0.000100%	0.00007
	Mickey W. Barton & Becky Barton, H/W HC 4 Box 273 Bee, VA 24217-9603	Unleased	0.000050%	0.00003

Wrenda Joetta Barton
P.O. Box 444
Davenport, VA 24239

BK 493PG 268
Unleased 0.000050%

0.00003

Lena Mullins
800 Regency Drive
Johnson City, TN 37604

Leased
906911

0.000063%

0.00004

Catherine Mullins
4505 Woodbury Drive
Raleigh, NC 27612

Leased
906911

0.000063%

0.00004

Juanita Mullins
Box 760
Erwin, TN 37650-2119

Unleased

0.000063%

0.00004

Kelver Mullins &
Mattie Mullins, H/W
904 Millercrest Dr.
Johnson City, TN 37604-4315

Leased
906911

0.000063%

0.00004

Bert Clifford Mullins &
Marjorie Mullins, H/W
26182 Beech Hideaway
Arlington, VA 22211

Leased
906911

0.000063%

0.00004

Geraldine Counts &
Lee Counts, W/H
204 Heather Drive
Jonesborough, TN 37659

Leased
906911

0.000063%

0.00004

Anna Lee Stacker &
Joe Stacker, W/H
1109 Haverhill Drive
Brentwood, TN 37027

Leased
906911

0.000063%

0.00004

Gail Aveline Bristow &
Bill Bristow, W/H
7324 Lawford Rd.
Knoxville, TN 37919-8175

Leased
906911

0.000063%

0.00004

Travis B. Tiller
Box 59
Coeburn, VA 24230

Leased
906911

0.000100%

0.00007

Karen T. Taylor &
Don E. Taylor, W/H
653 Redwood St.
Mount Carmel, TN 37645

Leased
906911

0.000100%

0.00007

Neil C. Tiller &
Martha R. Tiller, H/W
177 Meadow Lark Lane
Lebanon, VA 24265

Leased
906911

0.000100%

0.00007

Daisy Buchanan Tiller
1705 Blountville Blvd. Apt. E-10
Blountville, TN 37617

Unleased

0.000033%

0.00002

Donna Tiller Sizemore & Roger Sizemore, W/H 24107 Watauga Rd. Abingdon, VA 24211	Unleased	0.000033%	0.00002
Michael Tiller 10033 Buffalo Grove Road Fort Worth, TX 76108	Leased 906911	0.000033%	0.00002
Virgil Jack Presley and Kathleen Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.000025%	0.00002
Donnie Lee Presley HC 4 Box 93 Davenport, VA 24239	Unleased	0.000025%	0.00002
Julia Jacquelyn Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.000025%	0.00002
Virgie Dean Presley 1387 Hartwig Dr. Troy, MI 48065	Leased 906911	0.000025%	0.00002
3 <u>Eivens Tiller Heirs:</u> TAX ID 3464			
Chad Barton & Patsy Barton, H/W P.O. Box T Haysi, VA 24256	Unleased	0.024000%	0.01410
Peggy Barton P.O. Box 175 Bee, VA 24217	Unleased	0.012000%	0.00705
Steve R. Barton P.O. Box 234 Haysi, VA 24256	Unleased	0.002400%	0.00141
Chandra Cheryl Bostic & Kenny Bostic, W/H HC 4 Box 278 Bee, VA 24217	Unleased	0.002400%	0.00141
Ricky Lane Barton & Pam Agnus Barton, H/W Box 242 Mack's Hollow Haysi, VA 24256	Unleased	0.002400%	0.00141
Lance M. Barton P.O. Box 175 Bee, VA 24217	Unleased	0.002400%	0.00141
Terry Lorenzen Barton & Barbara Gayle Barton, H/W P.O. Box 499 Haysi, VA 24256	Unleased	0.002400%	0.00141
Louise B. Compton &	Unleased	0.024000%	0.01410

James I. Compton, W/H 118 Graham Robinson Rd. Max Meadows, VA 24360			
Pamela Barton 7544 Finney Rd. Honaker, VA 24260	Leased 906911	0.024000%	0.01410
Mickey W. Barton & Becky Barton, H/W HC 4 Box 273 Bee, VA 24217-9603	Unleased	0.012000%	0.00705
Wrenda Joetta Barton P.O. Box 444 Davenport, VA 24239	Unleased	0.012000%	0.00705
Lena Mullins 800 Regency Drive Johnson City, TN 37604	Leased 906911	0.015000%	0.00881
Catherine Mullins 4505 Woodbury Drive Raleigh, NC 27612	Leased 906911	0.015000%	0.00881
Juanita Mullins Box 760 Erwin, TN 37650-2119	Unleased	0.015000%	0.00881
Kelver Mullins & Mattie Mullins, H/W 904 Millercrest Dr. Johnson City, TN 37604-4315	Leased 906911	0.015000%	0.00881
Bert Clifford Mullins & Marjorie Mullins, H/W 26182 Beech Hideaway Abingdon, VA 24211	Leased 906911	0.015000%	0.00881
Geraldine Counts & Lee Counts, W/H 204 Heather Drive Jonesborough, TN 37659	Leased 906911	0.015000%	0.00881
Anna Lee Stacker & Joe Stacker, W/H 1109 Haverhill Drive Brentwood, TN 37027	Leased 906911	0.015000%	0.00881
Gail Aveline Bristow & Bill Bristow, W/H 7324 Lawford Rd. Knoxville, TN 37919-8175	Leased 906911	0.015000%	0.00881
Travis B. Tiller Box 59 Coeburn, VA 24230	Leased 906911	0.024000%	0.01410
Karen T. Taylor & Don E. Taylor, W/H 653 Redwood St. Mount Carmel, TN 37645	Leased 906911	0.024000%	0.01410
Neil C. Tiller &	Leased	0.024000%	0.01410

Martha R. Tiller, H/W 177 Meadow Lark Lane Lebanon, VA 24268	906911		
Daisy Buchanan Tiller 1705 Blountville Blvd. Apt. E-10 Blountville, TN 37617	Unleased	0.008000%	0.00470
Donna Tiller Sizemore & Roger Sizemore, W/H 24107 Watauga Rd. Abingdon, VA 24211	Unleased	0.008000%	0.00470
Michael Tiller 10033 Buffalo Grove Road Fort Worth, TX 76108	Leased 906911	0.008000%	0.00470
Virgil Jack Presley and Kathleen Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.006000%	0.00353
Donnie Lee Presley HC 4 Box 93 Davenport, VA 24239	Unleased	0.006000%	0.00353
Julia Jacquelyn Presley HC 4 Box 93 Davenport, VA 24239	Leased 906911	0.006000%	0.00353
Virgie Dean Presley 1357 Hartwig Dr. Troy, MI 48065	Leased 906911	0.006000%	0.00353
TOTAL		0.361500%	0.2125
<u>COAL ESTATE</u>			
2 Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 TAX ID 21027	Leased 241640/T2-1168	0.002500%	0.0017
3 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 TAX ID 21028	Leased 241640/T2-169	0.600000%	0.3525
TOTAL		0.602500%	0.3542

EXHIBIT "EE"
VC-537102
REVISED 05/11/07

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>GAS ESTATE</u>				
2	Graham Kennedy Tiller & Betty Tiller, H/W 4601 Riderwood Way Chester, VA 23831	Leased 906911	0.000500%	0.00033
	Don Ashworth & Cindy Ashworth, H/W 852 Vandalia Rd. Morgantown, WV 26501	Unleased	0.000250%	0.00017
	Halbert Ashworth & Peggy Ashworth, H/W 23 Rose Hill Drive Bluffton, SC 29910	Leased 906911	0.000250%	0.00017
3	Graham Kennedy Tiller & Betty Tiller, H/W 4601 Riderwood Way Chester, VA 23831	Leased 906911	0.120000%	0.07050
	Don Ashworth & Cindy Ashworth, H/W 852 Vandalia Rd. Morgantown, WV 26501	Unleased	0.060000%	0.03525
	Halbert Ashworth & Peggy Ashworth, H/W 23 Rose Hill Drive Bluffton, SC 29910	Leased 906911	0.060000%	0.03525
TOTAL			0.241000%	0.1417

PINE MOUNTAIN
Oil and Gas, Inc.

406 W. Main Street
P.O. Box 2136
Abingdon, Virginia 24212
Phone: (276) 628-9001
Fax: (276) 628-7246

EX 493PG 273



April 25, 2007

Charlton Tiller
250 Melrose Street
Abingdon, VA 24210

Re: Permanent Split of CBM Royalty
Charlton Tiller
VC-501842, VC-501843, VC-536589, VC-537102, and VC-537113 Wells
Dickenson, Virginia

Dear Mr. Tiller:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on tracts of land (the "Property" or "Subject Tract") in which Pine Mountain Oil and Gas, Inc. ("PMOG") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("PMOG"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of an interest in the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, PMOG proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

PMOG proposes that you receive disbursement of 75% of the proceeds held in the escrow account on the above-mentioned wells and that PMOG receive disbursement of 25% of the proceeds held in the escrow account on the above-mentioned wells. PMOG proposes the same percentage division for all future production payments which may accrue to our conflicting interests from the above-mentioned wells. PMOG will, at its sole expense, pursue the administrative process required to secure release of the proceeds held in the escrow account and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds.

If this division of proceeds is agreeable with you, PMOG will diligently pursue the administrative processes required to secure release of the proceeds in the escrow account to you and PMOG. You will be provided with copies of the correspondence to EPC, requesting distribution of

the escrowed funds as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned wells and future wells which is binding upon you, your heirs and assigns and PMOG and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned well shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

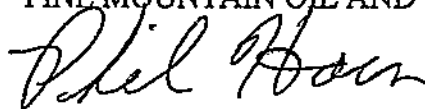
By entering into this letter agreement, you confirm that you are the current record title owner of an interest in the gas estate underlying the tract attributed to Charlton Tiller on the enclosed plats. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you are directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to PMOG in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call me at 276-619-2583.

Sincerely,

PINE MOUNTAIN OIL AND GAS, INC.



Phil Horn
District Landman

Enclosures

AGREED TO AND ACCEPTED BY

BY:

Charlton Tiller
CHARLTON TILLER

PINE MOUNTAIN OIL AND GAS, INC.

BY:

Phil Horn
PHIL HORN
DISTRICT LANDMAN

STATE OF VIRGINIA

COUNTY OF Washington, to-wit:

I, Aaron A. Anderson, a Notary Public in and for the State and County aforesaid, do hereby certify Charlton Tiller, whose name is signed to the writing hereto annexed, have this day acknowledged the same before me, in said County and State.

Given under my hand and notarial seal this the 25th day of April, 2007.

My commission expires 3/31/2011.

Aaron A. Anderson
Notary Public

COMMONWEALTH OF VIRGINIA

COUNTY OF WASHINGTON, to-wit:

I, Aaron A. Anderson, a Notary Public in and for the State and County aforesaid, do hereby certify that Phil Horn, District Landman for Pine Mountain Oil and Gas, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 25th day of April, 2007, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 25th day of April, 2007.

My commission expires 3/31/2011.

Aaron A. Anderson
Notary Public

QA
\$37
|

493P6 276

INCORPORATED

[Signature]

MANUFACTURING

INSTRUMENT #120000047
RECORDED IN THE CLERK'S OFFICE OF
DICKINSON ON
JANUARY 12, 2012 AT 02:00PM

RICHARD W. EDWARDS, CLERK
RECORDED BY: CJF